

Message Text

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ACTION IO-10

INFO OCT-01 ISO-00 CCO-00 CIAE-00 OTPE-00 EB-07 FCC-02

INR-07 NSAE-00 OC-05 USIA-15 COME-00 BIB-01 PA-02

PRS-01 ABF-01 OMB-01 TRSE-00 OIC-02 AF-06 ARA-10

EA-10 EUR-12 NEA-10 /103 W

----- 125245

R 301234Z JUN 75
FM USMISSION GENEVA
TO SECSTATE WASHDC 4157

UNCLAS GENEVA 4993

E.O. 11652: N/A
TAGS: ITU AORG ETEL
SUBJECT: ITU ADMIN COUNCIL: BUDGET WRAPUP

1. SUMMARY. IN FINAL MEETING ON JUNE 27, 1975, ADMIN COUNCIL
ADOPTED BUDGET FOR 1976 OF SF 50,231,500 WITH ASSESSMENT BUDGET
OF SF 46,544,700. THE 1976 CONTRIBUTORY UNIT WILL THUS AMOUNT
TO 111,800, AND US ASSESSMENT FOR 1976 WILL BE SF 3,354,000.
THIS ASSESSMENT BUDGET IS SF 21,500 UNDER TORREMOLINOS BUDGET
LIMITATION. END SUMMARY.

2. 1976 BUDGET OF SF 50 MILLION ACHIEVED DESPITE FACT THAT CIRCULAR CABLE SENT TO ALL MEMBERS ON JUNE 13 REQUESTING APPROVAL FOR COUNCIL TO EXCEED LIMITATIONS WAS APPROVED 84 - 28 (US). IN FURIOUS LAST MINUTE "CHOPPING SESSION" ON JUNE 26, SIGNIFICANT SAVINGS WERE ACHIEVED DURING LINE BY LINE REVIEW OF SYG'S PROPOSALS WHICH RESULTED IN SUCH CUTS AS:

A. SUBSTITUTING ECONOMY FOR FIRST CLASS AIR TRAVEL FOR COUNCILLORS;

B. CUTTING DURATION OF 1976 COUNCIL MEETING BY 2 DAYS TO 19;

C. SEVERELY REDUCING PREMISES EXPENSES;
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D. REDUCING OFFICIAL TRAVEL;

E. CUTTING REGULAR BUDGET BACK-UP FOR TECHNICAL ASSISTANCE
ENGINEERS, AND

F. ABOLISHING SEVERAL SECRETARIAT POSITIONS IN LINE WITH GROUP
OF EXPERTS RECOMMENDATIONS.

3. REMARKABLE FEATURE OF BUDGET-CUTTING EXERCISE WAS BROAD
BASE OF SUPPORT FOR VARIOUS ECONOMY MEASURES - RANGING
FROM USUAL WEO ECONOMY BLOC (WITH FRG AND CANADA IN FORE-
FRONT) AND EASTERN EUROPEANS (ROMANIA WAS PROBABLY
THE MOST PERSISTENT OF ALL COUNCILLORS) TO VARIOUS LDC'S
WHICH INCLUDED, SUCH OLD COUNCIL STANDBYS AS BENABDELLAH
OF MOROCCO AND GHAZAL OF LEBANON, AS WELL AS NEWEST OF
AFRICAN MEMBERS, SUCH AS CAMEROON AND TANZANIA, WHOSE
OWN 1976 BUDGETS HAD ALREADY BEEN APPROVED AND WHO THUS
HAD NOT FLEXIBILITY TO SUPPORT HIGHER CONTRIBUTIONS.

4. POSSIBLY BIGGEST FACTOR IN HOLDING BUDGET LINE WAS
SYG MILI HIMSELF, WHOSE MALADROIT TACTICS ULTIMATELY
BOOMERANGED, AND LED COUNCILLORS TO GRASP AT ANY AND ALL
SAVINGS IN ORDER TO HOLD BUDGET LINE. MILI'S GAME WAS
EVIDENTLY AS FOLLOWS:

A. TO PRESENT DRAFT BUDGET DOCUMENT INDICATING
INITIAL EXPENDITURES OF ALMOST SF 750,000 OVER
LIMIT, IDENTIFYING THESE AS DUE TO INFLATION.

B. AFTER COUNCILLORS HAD ARRIVED IN GENEVA,
TO CIRCULATE REVISED BUDGET DOCUMENTATION
INDICATING INFLATIONARY FACTORS HAD CAUSED INCREASE
OVER LIMIT TO JUMP TO 1.2 MILLION, GIVING ONLY
VAGUEST JUSTIFICATION FOR REVISED FIGURES;

C. ON BASIS OF FOREGOING TO STAMPEDE COUNCILLORS
INTO APPROVING CABLE CANVAS OF MEMBER STATES
REQUESTING PERMISSION TO HIKE 1976 BUDGET BY AN
UNSPECIFIED AMOUNT;

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D. BY MANIPULATING COUNCIL SCHEDULE TO DELAY FULL
EXAMINATION OF BUDGET UNTIL VERY LAST DAYS OF
CONFERENCE IN EXPECTATION LACK OF TIME WOULD PREVENT
THROUGH LINE BY LINE EXAMINATION OF FIGURES WHICH
WOULD LEAD TO APPROVAL OF FINAL AMOUNT WELL IN
EXCESS OF TORREMOLINOS LIMITS.

5. TACTICS AS OUTLINED ABOVE WORKED DOWN THROUGH
ITEM (C). THEN COUNCIL FOUND ITSELF ON AFTERNOON OF
JUNE 25 WITH ONLY ONE AND A HALF DAYS TO EXAMINE

ENTIRE BUDGET AND, IN EFFORT TO ARRIVE AT SOME SAVINGS APPEALED TO SYG MILI TO SUGGEST SOME AREAS WHERE ECONOMIES COULD BE MADE. MILI AIRILY REFUSED, STATING THAT ANY CUTS WERE IMPOSSIBLE. THIS LACK OF COOPERATION INFURIATED MANY COUNCILLORS AND AS REACTION MEATAXE CHOPS BEGAN. IN NUMEROUS VOTES TAKEN ON SPECIFIC REDUCTIONS, AFFIRMATIVE MARGINS OFTEN RAN TO TWO-THIRDS. AS DEBATE PROCEEDED THE ZEAL TO REACH TORREMOLINOS LIMITS INCREASED AND COUNCILLORS AGREED TO ACCEPT SUCH COST-CUTTING MEASURES AS REDUCING LENGTH OF NEXT COUNCIL SESSION TWO DAYS AND DOWNGRADING THEIR OWN FIRST CLASS AIR TRAVEL TO ECONOMY CLASS. WHEN FINAL ITEM WAS REACHED, COUNCILLORS FOUND MUCH TO THEIR PLEASURE THAT NOT ONLY HAD THE TORREMOLINOS BUDGET LIMITATION BEEN REACHED, BUT THAT FINAL BUDGET FIGURE WAS SF 21,500 UNDER CEILING. MILI BOWED TO INEVITABLE AND ACCEPTED FINAL VERDICT WITH AT LEAST OUTWARD GOOD GRACE.

6. UNFORTUNATELY WHILE COUNCILLORS WERE HELL-BENT ON ACHIEVING SAVINGS IN ASSESSMENT BUDGET, THE SAME ZEAL DID NOT EXTEND TO TECHNICAL COOPERATION BUDGET WHICH IS FUNDED ENTIRELY FROM UNDP SOURCES. ALTHOUGH PERSONNEL COMITE VOTED TO CREATE TWO NEW PROFESSIONAL POSTS IN TECHNICAL COOPERATION STAFF (11 NEW POSTS WERE PROPOSED BY SYG) IN DEBATE ON JUNE 24, MOROCCO WON VOTE IN FINAL PLENARY SESSION ON JUNE 27 TO REOPEN MATTER AND AFTER SOME DISCUSSION SIX ADDITIONAL SECRETARIAT POSTS WERE ADDED, BRINGING TECHNICAL COOPERATION BUDGET DEFICIT FOR 1976 TO OVER SF 1.5 MILLION AND INCREASING TOTAL 1973-76 CUMULATIVE TC DEFICIT TO SF 3.6 MILLION. WHEN UNCLASSIFIED UNCLASSIFIED

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USDEL SHARPLY QUESTIONED SYG ON DEFICIT, MILI REPLIED THAT ALL SPECIALIZED AGENCY TC PROGRAMS WERE IN DEFICIT, THAT ITU DEFICIT LOWER THAN MOST, THAT ITU MUCH HARDER HIT BY DROP IN VALUE OF DOLLAR THAN MOST OTHER IO'S SINCE UNDP CONTRIBUTIONS ARE MADE IN DOLLARS AND ITU OPERATES IN SWISS FRANCS. IN RESPONSE TO US QUERY ON HOW DEFICIT WOULD BE MADE UP, MILI RESPONDED IF UNDP OVERHEAD COSTS WERE INCREASED TO 17 PERCENT, DEFICIT WOULD BE WIPE OUT OR THAT IF RATE OF DOLLAR ROSE TO 3 TO ONE FROM PRESENT 2.5 TO ONE, DEFICIT WOULD BE GREATLY REDUCED. US WAS TOTALLY ISOLATED ON THIS MATTER.

7. AS FINAL NOTE, CONTRIBUTORY UNIT FOR RECOGNIZED PRIVATE OPERATING AGENCIES, SCIENTIFIC AND INDUSTRIAL ORGANIZATIONS AND INTERNATIONAL ORGANIZATIONS WAS SET FOR 1976 AT SF 18,800. DALE

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUDGET ESTIMATES, FINANCIAL CONTRIBUTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975GENEVA04993
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750226-0697
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975064/aaaaadji.tel
Line Count: 167
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 30 JAN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 JAN 2003 by PhilliR0>; APPROVED <12 MAR 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ITU ADMIN COUNCIL: BUDGET WRAPUP
TAGS: AORG, ETEL, US, ITU
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006